

**TEACHERS' FUND FOR RETIREMENT**  
**A Division of ND Retirement and Investment Office**  
**Balance Sheet**  
**As of 8/31/2004**

10/4/2004

	As of 8-31-04	As of 6-30-04
<b>ASSETS:</b>		
<b>INVESTMENTS (AT MARKET)</b>		
DOMESTIC EQUITIES	\$ 523,183,702	\$ 551,572,082
INTERNATIONAL EQUITIES	334,819,580	349,409,895
DOMESTIC FIXED INCOME	201,173,288	182,967,765
INTERNATIONAL FIXED INCOME	67,282,203	62,533,112
REAL ESTATE	109,771,615	108,794,052
VENTURE CAPITAL	61,243,163	60,138,622
INVESTED CASH (NOTE 1)	28,622,491	39,971,282
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TOTAL INVESTMENTS	1,326,096,042	1,355,386,810
<b>RECEIVABLES</b>		
DIVIDEND/INTEREST RECEIVABLE	6,184,790	6,145,079
CONTRIBUTIONS RECEIVABLE	854,877	6,354,427
MISCELLANEOUS RECEIVABLE	0	256
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TOTAL RECEIVABLES	7,039,667	12,499,762
<b>OTHER ASSETS</b>		
OPERATING CASH (NOTE 2)	7,526,906	8,378,563
DUE FROM OTHER AGENCIES (NOTE 3)	29,887	0
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TOTAL ASSETS	<u>\$ 1,340,692,502</u>	<u>\$ 1,376,265,135</u>
<b>LIABILITIES:</b>		
ACCOUNTS PAYABLE	1,198,118	1,198,117
ACCRUED EXPENSES	189,774	253,408
DUE TO OTHER AGENCIES (NOTE 4)	0	133,933
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TOTAL LIABILITIES	1,387,892	1,585,458
<b>NET ASSETS AVAILABLE:</b>		
NET ASSETS AVAILABLE BEGIN OF YEAR	1,374,679,677	1,175,248,478
CASH IN DURING YEAR (NOTE 5)	22,200,000	130,189,850
CASH OUT DURING YEAR (NOTE 6)	22,200,000	130,189,850
NET INCREASE (DECREASE)	(35,375,067)	199,431,199
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NET ASSETS AVAILABLE END OF PERIOD	1,339,304,610	1,374,679,677
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TOTAL LIABILITIES & NET ASSETS AVAILABLE	<u>\$ 1,340,692,502</u>	<u>\$ 1,376,265,135</u>

**TEACHERS' FUND FOR RETIREMENT**  
**A Division of ND Retirement and Investment Office**  
**Profit and Loss Statement**  
**For the Month Ended 8/31/2004**

10/4/2004

	Month Ended <u>8-31-04</u>	<u>Year-to-Date</u>
ADDITIONS:		
INVESTMENT INCOME		
INTEREST/DIVIDEND INCOME	\$ 2,948,216	\$ 6,702,179
SECURITIES LENDING INCOME	<u>79,652</u>	<u>150,531</u>
	3,027,868	6,852,710
 GAIN ON SALE OF INVESTMENTS	 9,075,658	 18,052,555
LOSS ON SALE OF INVESTMENTS	<u>7,670,184</u>	<u>16,671,944</u>
 NET GAINS (LOSSES) INVESTMENTS	 1,405,474	 1,380,611
 INVESTMENT EXPENSES	 1,070,208	 1,262,390
SECURITIES LENDING EXPENSES	60,888	106,953
SIB ADMINISTRATIVE EXPENSES	<u>8,996</u>	<u>17,914</u>
 NET INVESTMENT INCOME	 3,293,250	 6,846,064
 NET APPREC (DEPREC) MARKET VALUE	 5,561,013	 (29,791,751)
MISCELLANEOUS INCOME/(EXPENSE)	<u>(42,670)</u>	<u>(36,836)</u>
 TOTAL INVESTMENT INCOME	 8,811,593	 (22,982,523)
 CONTRIBUTIONS & ASSESSMENTS (NOTE 7)	 935,530	 1,649,091
PURCHASED SERVICE CREDIT (NOTE 8)	270,316	726,814
PENALTY & INTEREST (NOTE 9)	<u>768</u>	<u>913</u>
 TOTAL ADDITIONS	 <u>10,018,207</u>	 <u>(20,605,705)</u>
DEDUCTIONS:		
BENEFITS PAID PARTICIPANTS (NOTE 10)	7,032,729	14,034,647
PARTIAL LUMP SUM BENEFITS PAID	0	115,717
REFUNDS TO MEMBER (NOTE 11)	<u>271,631</u>	<u>403,659</u>
 TOTAL BENEFITS PAID	 7,304,360	 14,554,023
 ADMINISTRATIVE EXPENSES		
RIO ADMINISTRATIVE CHARGE	159,084	215,339
MISCELLANEOUS EXPENSES	<u>0</u>	<u>0</u>
 TOTAL ADMINISTRATIVE EXPENSES	 <u>159,084</u>	 <u>215,339</u>
 TOTAL DEDUCTIONS	 <u>7,463,444</u>	 <u>14,769,362</u>
 NET INCREASE (DECREASE)	 <u>\$ 2,554,763</u>	 <u>\$ (35,375,067)</u>

**TEACHERS' FUND FOR RETIREMENT**  
**Notes To Financial Statements**  
**August 31, 2004**

10/4/2004

The following notes to financial statements are intended to provide general descriptions of line items in the financial statements.

NOTE 1                    INVESTED CASH

Pension Cash Pool invested in the short-term investment fund (STIF/STEP) at The Northern Trust Company.

NOTE 2                    OPERATING CASH

TFFR money market and checking accounts at the Bank of North Dakota.

NOTE 3                    DUE FROM OTHER AGENCIES

Amounts paid in anticipation of the allocation of administrative expenses of RIO.

NOTE 4                    DUE TO OTHER AGENCIES

Amounts owed to RIO for administrative and direct costs charged.

NOTE 5                    CASH IN DURING YEAR

Cash transferred into investment accounts at The Northern Trust Company during the current fiscal year.

NOTE 6                    CASH OUT DURING YEAR

Cash transferred out of investment accounts at The Northern Trust Company during the current fiscal year.

NOTE 7                    CONTRIBUTIONS & ASSESSMENTS

Assessments on teachers' salaries of 7.75 percent of salary plus a matching contribution paid by the employer unit, for a total contribution and assessment of 15.5 percent that must be remitted monthly.

NOTE 8                    PURCHASED SERVICE CREDIT

Payments received on the purchase of service credit for TFFR as allowed by the North Dakota Century Code.

**TEACHERS' FUND FOR RETIREMENT**  
**Notes to Financial Statements**  
**8/31/2004**

10/4/2004

NOTE 9

PENALTY & INTEREST

Amounts charged to school districts for late payment or reporting of contributions and assessments.

NOTE 10

BENEFITS PAID TO PARTICIPANTS

Monthly annuity benefits paid to retired teachers on the first of each month.

NOTE 11

REFUND TO MEMBERS

Refunds of teachers' accounts who have ceased teaching in North Dakota.